

GW EQUITY v. XCENTRIC VENTURES, LLC
ORDER OF PROOF

Action/Element	Fact	Evidence
Defamation		
1. Defendant published statement of fact;	Magedson published statements and comments regarding GW Equity on the Websites.	See Exhibits 3-7 to the Affidavit of Ryan Binkley, Apx. at 000058-000076; Deposition Transcript of Dickson Earl Woodward at Vol. I. 183:6-8, 237:18-238:11, Apx. at 000106-000117
2. Statement referred to plaintiff;	The statements and comments on the Websites clearly referred to GW Equity's business practices and reputation.	See Exhibits 3-7 to the Affidavit of Ryan Binkley, Apx. at 000058-000076
3. Statement was defamatory to plaintiff, in that it damaged the plaintiff's reputation, exposing him to financial injury; and	The statements and comments on the Websites regarding GW Equity damaged its reputation and have caused it to lose existing and potential clients.	Affidavit of Ryan Binkley ¶¶ 15-19 (discussing loss of existing and potential clients), Apx. at 000051-000054; Supplemental Affidavit of Ryan Binkley ¶¶ 4-6, Apx. at 000128-000129 (discussing recent loss of potential clients)
4. False.	The statements and comments on the Websites are false and misleading.	Affidavit of Ryan Binkley ¶ 5, Apx. at 000050 (denying any relationship between GW Equity and Geneva Enterprises and Citigroup); Deposition of Dickson Earl Woodward, Vol. II, 414:1-18, 480:15-481:2, Apx. at 000116-000124

GW EQUITY V. XCENTRIC VENTURES, LLC
ORDER OF PROOF

Business Disparagement		
1. The defendant published disparaging words about the plaintiff's economic interests;	Magedson published statements and comments regarding the character of GW Equity's business on the Websites.	<i>See</i> Exhibits 3-7 to the Affidavit of Ryan Binkley, Apx. at 000058-000076; Deposition Transcript of Dickson Earl Woodward at Vol. I. 183:6-8, 237:18-238:11, Apx. at 000106-000117
2. The words were false;	The statements and comments on the Websites are false and misleading.	Affidavit of Ryan Binkley ¶ 5, Apx. at 000050 (denying any relationship between GW Equity and Geneva Enterprises and Citigroup); Deposition of Dickson Earl Woodward, Vol. II, 414:1-18, 480:15-481:2, Apx. at 000116-000124
3. The defendant published the words with malice;	Defendants published the statements and comments on the Websites with full knowledge that they were false. After GW Equity requested that Defendants remove these statements, Defendants refused to do so unless GW Equity agreed to enter into the remediation program for a considerable sum of money.	Affidavit of Ryan Binkley ¶ 14, Apx. at 000052 (explaining how Defendants offered to remedy the false and misleading statements only if GW Equity entered into a program they offered for a fee)
4. The defendant published the words without privilege; and	Defendants cannot assert protection under the CDA for the false and misleading statements because it created and developed the original information on the Websites by	<i>MCW, Inc. v. Badbusinessbureau.com</i> , No. 3:02-CV-2727-G, 2004 WL 833595, at *9-10 (N.D. Tex. Apr. 19, 2004) (finding no immunity under the

GW EQUITY V. XCENTRIC VENTURES, LLC

ORDER OF PROOF

	<p>altering report content and titles.</p> <p>Defendants cannot find protection under the First Amendment for the false and misleading statements because this is not a protected form of speech.</p>	<p>CDA for defendants who went beyond the publisher's role and developed some of the defamatory information on the websites)</p> <p>False or misleading commercial speech may be prohibited in its entirety because it does not receive the same heightened protection under the First Amendment. <i>Ibanez Fla. Dep't of Bus. & Prof'l Regulation</i>, 512 U.S. 136, 142 (1994); <i>Proctor & Gamble Co. v. Amway Corp.</i>, 242 F.3d 539, 557 (5th Cir. 2001), <i>cert. denied</i>, 534 U.S. 945 (2001).</p>
<p>5. The publication caused special damages.</p>	<p>The statements and comments on the Websites regarding GW Equity damaged its reputation and have caused it to lose existing and potential clients.</p>	<p>Affidavit of Ryan Binkley, ¶¶ 15-19, Apx. at 000051-000054 (discussing loss of existing and potential clients); Supplemental Affidavit of Ryan Binkley ¶¶ 4-7, Apx. at 000128-000130 (discussing recent loss of existing and potential clients)</p>

CAUSE NO. 06-12231

GW EQUITY, L.L.C.,)	IN THE DISTRICT COURT
)	
Plaintiff,)	
)	
VS.)	DALLAS COUNTY, TEXAS
)	
DIXON WOODARD, et al.,)	
)	
Defendants.)	116TH JUDICIAL DISTRICT

ORAL DEPOSITION OF
DICKSON EARL WOODARD

VOLUME 1 OF 2

MAY 3, 2007

ORAL DEPOSITION OF DICKSON EARL WOODARD, produced as a witness at the instance of the plaintiff, and duly sworn, was taken in the above-styled and numbered cause on the 3rd of May, 2007, from 10:03 a.m. to 5:22 p.m., before Julia E. Whaley, CSR, CRR, RMR, and Notary Public in and for the State of Texas, reported by machine shorthand, at the law offices of McCreary & Stockford, L.L.P., 18333 Preston Road, Suite 150, Dallas, Texas, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

1 CAUSE NO. 06-12231

2 GW EQUITY, L.L.C.,) IN THE DISTRICT COURT
3 Plaintiff,)
4 VS.) DALLAS COUNTY, TEXAS
5 DIXON WOODARD, et al.,)
6 Defendants.) 116TH JUDICIAL DISTRICT

7 REPORTER'S CERTIFICATION

8 ORAL DEPOSITION OF DICKSON EARL WOODARD, VOLUME 1

9 MAY 3, 2007

10 I, Julia E. Whaley, CSR, CRR, RMR, and Notary Public
11 in and for the State of Texas, hereby certify to the
12 following:

13 That the witness, DICKSON EARL WOODARD, was duly
14 sworn by the officer and that the transcript of the oral
15 deposition is a true record of the testimony given by the
16 witness;

17 That the original deposition transcript was
18 submitted on the _____ day of May, 2007, to the witness
19 for examination, signature, and return to the court
20 reporter by June _____, 2007;

21 That the amount of time used by each party at the
22 deposition is as follows:

23 Ms. Pannell - 4 hours, 55 minutes

24 That pursuant to information given to the deposition
25 officer at the time said testimony was taken, the

1 following includes all parties of record:

2 FOR THE PLAINTIFF:

3 MS. KRISTEN M. PANNELL
4 and MR. BRAD E. STOCKFORD
5 McCreary & Stockford, L.P.
6 18333 Preston Road
Suite 150
Dallas, Texas 75252

7 APPEARING PRO SE:

8 MR. DICKSON EARL WOODARD
9 5317 Anchor Bay Drive
Garland, Texas 75043

10 I further certify that I am neither counsel for,
11 related to, nor employed by any of the parties in the
12 action in which this proceeding was taken, and, further,
13 that I am not financially or otherwise interested in the
14 outcome of the action.

15 Further certification requirements pursuant to Rule
16 203 of TRCP will be certified to after they have
17 occurred.

18 Sworn and certified to by me this _____ day of May,
19 2007.

20
21 Julia E. Whaley, CSR NO. 2961
22 LONE STAR REPORTING
723 Woodlake Drive
Coppell, Texas 75019
23 (972) 402-9885 Fax (972) 393-3611
24 Firm registration number 379
Certification Expires 12-31-07
Notary Comm. Expires 11-20-09
25

FURTHER CERTIFICATION UNDER RULE 203 TRCP

The original deposition was/was not returned to the deposition officer on ;

If returned, the attached changes and signature page contains any changes and the reasons therefor.

If returned, the original deposition was delivered to Ms. Kristen M. Pannell, Custodial Attorney.

That \$_____ is the deposition officer's charges for preparing the original deposition transcript and any copies of exhibits, charged to Ms. Kristen M. Pannell, Attorney for Plaintiff.

That the deposition was delivered in accordance with Rule 203.3 and that a copy of this certificate was served on all parties shown herein and filed with the Clerk.

Certified to by me this day of ,
2007.

Julia E. Whaley, CSR NO. 2961
LONE STAR REPORTING
723 Woodlake Drive
Coppell, Texas 75019
(972) 402-9885 Fax (972) 393-3611
Firm registration number 379
Certification Expires 12-31-07
Notary Comm. Expires 11-20-09

1 people off and not --

2 A. Oh, absolutely. I mean the complaints filed
3 just with the Better Business Bureau, which was something
4 I should have looked at to begin with, is that -- there's
5 a little clause in there that will guarantee they will
6 get you a job in 90 days.

7 But after the first nine days after the work
8 has been done on the resumes, it's kind of a sliding
9 scale toward that 90 days. If you're still there after
10 90 days, they don't owe you any money because, you know,
11 they're already doing work for you at the end of 90 days.

12 What they'll do is redo your resume for you for
13 another 90 days. But I mean as far as the money-back
14 guarantee for you being employed in 90 days, it's
15 complete bullshit.

16 Q. So did Ed believe --

17 A. That was his problem.

18 Q. Did Ed believe that McKenzie Scott was also
19 ripping people off?

20 A. He knew -- he knew way before -- I mean he's
21 the one that explained to me in detail I mean how this
22 was being done. And when I researched into it, he
23 couldn't have been any more accurate.

24 Q. So it was Ed who told you they were ripping
25 people off, McKenzie Scott was ripping people off?

1 A. He said, I don't know what you're so mad at me
2 for. These guys are ripping people off.

3 Q. Do you realize that if you go onto Rip Off
4 Report today and you look up McKenzie Scott, there's a
5 banner from Ed saying that he has looked into this and
6 researched this matter and that McKenzie Scott's actually
7 a great company?

8 A. They paid him off, then.

9 Q. Okay. So Ed's willing to write that if you pay
10 him enough money?

11 A. Yeah. Absolutely. He takes it off. And not
12 only does he take off the negative report. He replaced
13 them with positive reports. He's writing them, himself.
14 So everything that's in the negative, he will spin it and
15 say the company feels terrible about this situation
16 happening and we -- we rectify it the best we possibly
17 can, and it looks like you're -- you're timely in your --
18 in your response to the general public.

19 So he takes you from zero to hero. And now if
20 they pull up Rip Off Reports, you're one of the few
21 positive things on there. These other people have got
22 negative reports. Man, this company is -- I mean he has
23 got nothing bad to say about them at all. He makes his
24 money off --

25 Q. Ed will actually write the reports, though?

1 A. Yes.

2 Q. He'll write the reports, and he'll write the
3 headings on the report?

4 A. Yeah. I mean that's part of what he does, is
5 the background and the due diligence, and probably more
6 than highly likely hacking into the networks that would
7 afford him the necessary data to produce details or --
8 and/or he does have some complaints that he can -- he can
9 kind of combine or make -- make with the data that he
10 does have and what he -- the result is a very readable,
11 believable sounding, heart-wrenching story about
12 somebody's getting shafted.

13 But he only needs, like, two complaints or just
14 to get into their net -- somebody's network, and he's
15 got, you know, all of their clients. And if there's any
16 kind of Better Business Bureau, he's checking courthouse
17 records, anything he can compile that will even remotely
18 look like it could possibly be based on fact.

19 I think you said there's a Bill or somebody in
20 Wisconsin or something. I'm sure there's a Bill in
21 Wisconsin, you know. It -- typically more a -- a little
22 bit more detailed than that as far as how it fits into
23 whatever the person that's looking for the due diligence
24 that it's going to make sense to them.

25 He's got to know enough about their business,

1 what they do, to undermine the confidence the person has
2 in them. And that's how he puts these people out of
3 business.

4 Q. So why would Ed do this?

5 A. He actually has completely -- I mean -- and I
6 believe this honestly. He actually believes that he is
7 conducting a -- a -- an endeavor that's helping the
8 general public. And his rationalization for this
9 thinking is if it wasn't so insane, it would be
10 brilliant.

11 But he -- and he's had a hard life. He got
12 screwed over early at 17 by some major corporation, and
13 somebody stole his bicycle or something. And he changed
14 his name to Ed Magedson when he was 17, and he's been Ed
15 ever since. And he just -- some people do look at him as
16 the quickest way for consumer protection out there and --

17 Q. That's interesting that you say that, Dickson,
18 because just five minutes ago, we were talking about how
19 even though he believed McKenzie Scott was this big
20 fraud, he was willing to change his opinion and write
21 good things about them to the detriment of consumers if
22 they paid him money.

23 A. And I have a perfect explanation for that, too.
24 You're exactly right. I mean I'm not saying the man is
25 not an extortionist, but he does have the Robin Hood

1 maintains that he has never posted anything either. So
2 gnomes are putting it on there.

3 Q. What?

4 A. Gnomes like cobblers. He maintains that he's
5 never written one before in his life, but there's --

6 Q. You already testified that he told you that he
7 wrote some of those reports?

8 A. Exactly.

9 Q. Okay. So that was --

10 A. It's a completely different conversation, I
11 mean.

12 Q. But I'm asking you, when you get onto the web
13 site, ripoffreport.com, do you have to sign in and, like,
14 write your user name, or can you sign in as an
15 unregistered guest, or how does that work?

16 A. I don't know. It's a public web site. It's
17 like Better Business Bureau. You don't have to sign in
18 to anything.

19 Q. So I can just get on there and post whatever I
20 want? I don't have to provide an e-mail address --

21 A. I don't --

22 Q. -- or -- I don't have to provide an e-mail
23 address or anything?

24 A. I don't know about posting. I just know if you
25 want to search via his little Google thing in there for

1 Q. I don't care how many days later it was,
2 Dickson. Did you, in fact, go and look into filing class
3 action lawsuits after you got the idea from Jeff Robinson
4 that it was a lucrative industry?

5 A. Yes. That would be -- that would be -- that
6 would be good.

7 Q. Thank you.

8 A. I mean that's a good question to ask me if it
9 wasn't tripping over itself with inconsistencies.

10 MR. STOCKFORD: Objection; nonresponsive.

11 THE WITNESS: You can object your ass off.

12 MR. STOCKFORD: Objection; nonresponsive.

13 Q. (By Ms. Pannell) Okay. I'm going to hand you
14 now, Dickson, what has been marked Plaintiff's Exhibit
15 No. 2. This is a printout of a posting that has been
16 made on www.ripoffreport.com. Do you see at the top of
17 this posting, Dickson, where it says, "Submitted on
18 11/2/2006 at 5:14 a.m."?

19 At the very top of your page there, the top
20 right-hand corner, do you see where it says submitted?

21 A. Yeah, I do.

22 Q. Okay. Did you, in fact, author or post or
23 write any part of this report?

24 A. Absolutely not. Let me read it first. I
25 mean -- I mean this is the same one you put in the

1 complaint. This is something that 200 -- numbers -- \$120
2 million -- I think we've already established that it's
3 not --

4 Q. Okay. Did you write this?

5 A. I did not write this.

6 Q. Okay.

7 MR. STOCKFORD: Do you know who did?

8 THE WITNESS: I'm positive I know who did.

9 MR. STOCKFORD: Who did it?

10 Q. (By Ms. Pannell) Who did?

11 A. I mean --

12 MR. STOCKFORD: Who did it?

13 THE WITNESS: Of course Ed did it.

14 MR. STOCKFORD: Thank you.

15 Q. (By Ms. Pannell) Ed Magedson made this post?

16 A. Yeah. He's the -- this is his -- this is his
17 gift.

18 Q. How do you know Ed Magedson did this post?

19 A. Because I'm pretty sure he's one of the only
20 people that posts on his own web site. I mean there may
21 be some people that complain, but not to the quantity
22 he's talking about.

23 Q. How are you -- how do you get this information?

24 A. As far as him doing the postings?

25 Q. Yeah, as far as him posting.

1 A. Just the adamancy to which he -- he objects
2 to -- objects to posting of himself. I mean he just --
3 you know, I think he does protest too much. You know, he
4 told me a hundred thousand times, I don't do any of the
5 postings.

6 So many times, and the fact that -- coupled
7 with his -- his ability to access sensitive databases of
8 large corporations, it's just -- it's a hybrid of
9 complaints, stuff found in public -- in the public
10 sector, and then stuff that he hacks into on his -- on
11 his own.

12 I mean together, the three make -- with his
13 creative ability can -- can weave a pretty hideous --
14 some of this stuff about McKenzie Scott was like -- I was
15 mad knowing it was a lie. I was like, Dang, did we do
16 that? No, that was me.

17 Q. Okay. So it's your testimony today that you
18 did not author this, that Ed Magedson authored this post?

19 A. I'm telling you that anything that's on his web
20 site regarding GW Equity is a combination of exactly the
21 things I -- that I just explained to you, it's got
22 nothing to do with me.

23 Q. Okay. Let's go through this post, then,
24 Dickson. If you look at the very beginning, it says, "GW
25 Equity is actually a \$120 billion enterprise called

CAUSE NO. 06-12231

GW EQUITY, LLC,) IN THE DISTRICT COURT
Plaintiff,)
)
VS.) 116TH JUDICIAL DISTRICT
)
DIXON WOODARD, et al.,)
Defendants.) DALLAS COUNTY, TEXAS

VIDEOTAPED ORAL DEPOSITION OF
DICKSON EARL WOODARD
VOLUME 2
MAY 8, 2007

ORAL DEPOSITION OF DICKSON EARL WOODARD,
produced as a witness duly sworn by me at the
instance of the Plaintiff, taken in the above-styled
and -numbered cause on the 8th day of May, A.D.,
2007, from 9:11 a.m. to 2:43 p.m., before Carla J.
Shanks, Certified Shorthand Reporter No. 5054 in and
for the State of Texas, at the offices of McCreary &
Stockford, located at 18333 Preston Road, Suite 150,
in the City of Dallas, County of Dallas and State of
Texas, in accordance with the Texas Rules of Civil
Procedure and the provisions stated on the record.

1 CAUSE NO. 06-12231

2 GW EQUITY, LLC,) IN THE DISTRICT COURT
3 Plaintiff,)
4 VS.) DALLAS COUNTY, TEXAS
5 DIXON WOODARD, et al.,)
6 Defendants.) 116TH JUDICIAL DISTRICT

7 REPORTER'S CERTIFICATION

8 ORAL DEPOSITION OF DICKSON EARL WOODARD

9 TAKEN ON MAY 8, 2007

10 I, Carla J. Shanks, Certified Shorthand
11 Reporter in and for the State of Texas, hereby
12 certify to the following:

13 That the witness, DICKSON EARL WOODARD,
14 was duly sworn by the officer and that the transcript
15 of the oral deposition is a true record of the
16 testimony given by the witness;

17 That the deposition transcript was
18 submitted on 5/17/07 to the witness or to the
19 attorney for the witness for examination, signature,
20 and return to LONE STAR REPORTING by 6/7/07 ;

21 That the amount of time used by each party
22 at the deposition is as follows:

23 MS. PANNELL: 3 hrs. 47 mins.

24 That pursuant to information given to the
25 deposition officer at the time said testimony was
taken, the following includes all parties of record:

Ms. Kristen Pannell and Mr. Brad Stockford, Attorneys
for Plaintiff,
Mr. Dickson Earl Woodard, Pro Se.

I further certify that I am neither
counsel for, related to, nor employed by any of the
parties in the action in which this proceeding was
taken, and further that I am not financially or
otherwise interested in the outcome of the action.

Further certification requirements
pursuant to Rules 205 and 206 of TRCP will be
certified to after they have occurred.

1 Sworn to by me on this the 16th day of
2 May , 2007.

3
4 Carla J. Shanks, Texas CSR 5054
5 Certification expires 12/31/08
6 LONE STAR REPORTING
7 723 Woodlake Drive
8 Coppell, Texas 75019
9 Firm Registration No. 379
10 (972) 402-9885 fax (972) 393-3611
11 Date Reported: 5/8/07
12
13
14
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16
17
18
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25

1 CERTIFICATION UNDER RULES 205 AND 206 TRCP

2 The original deposition was/was not
3 returned to the deposition officer on ;

4 If returned, the attached Changes and
5 Signature page contains any changes and the reasons
6 therefor;

7 If returned, the original deposition was
8 delivered to Ms. Kristen Pannell, Custodial Attorney;

9 That \$ 1159.70 is the deposition
10 officer's charges to Ms. Kristen Pannell for
11 preparing the original deposition transcript and any
12 copies of exhibits;

13 That the deposition was delivered in
14 accordance with Rule 203.3, and that a copy of this
15 certificate was served on all parties shown herein
16 and filed with the Clerk.

17 Witness my hand this day of
18 , 2007.

19
20
21 Carla J. Shanks, Texas CSR No. 5054
22 Expiration Date: 12/31/08
23 LONE STAR REPORTING
24 723 Woodlake Drive
25 Coppell, Texas 75019
Firm Registration No. 379
Expiration Date: 12/31/07
(972) 402-9885 fax (972) 393-3611

1 A. I mean, submitted by the original author,
2 you're saying Jim was one and Greg was another
3 version?

4 Q. Right.

5 A. It doesn't match.

6 Q. It doesn't match, you're right. Did you
7 author this post?

8 A. No.

9 Q. Did you direct Ed to author this post?

10 A. No, not at all.

11 Q. Okay. Do you know who made this post?

12 A. No, I couldn't, I couldn't, I couldn't
13 honestly give you an answer. I mean, I've got my
14 suspicions, but it's -- I don't have any --

15 Q. What are your suspicions?

16 A. -- direct evidence. I mean, it's just --
17 it just looks like the same guy that wrote all of
18 them.

19 Q. And who would that be?

20 A. It's -- in my opinion, it's Ed.

21 Q. Is Ed familiar with where you live?

22 A. He's familiar with where my parents used
23 to live.

24 Q. Which is where?

25 A. They used to live in Rockwall.

1 the search engines.

2 Q. So Ed has told you that he needs to have
3 four or five posts before he can manipulate search
4 engines?

5 A. Yeah, I think so.

6 Q. Is that something he told you?

7 A. I think it's on his website.

8 Q. What website, the Rip-Off Report?

9 A. That wouldn't be on the website. That
10 would not make any sense.

11 Q. No.

12 A. He's alleging that he's doing this for
13 free. It would have had to have been in a
14 conversation that I had with him.

15 Q. Okay. Well, look at the headings on
16 these, on these two. Do you see the headings are
17 different?

18 A. It looks like this one is an absolute
19 duplication of the same thing.

20 Q. The same post, but look at the headings,
21 the big bold print at the top.

22 A. GW Equity, Citibank, CitiGroup, Citi -- I
23 don't -- GW.

24 Q. I mean, do you see that the headings are
25 different? There are two different headings.

1 Q. Okay. Is GW Equity the same as Geneva
2 Business Research?

3 A. No.

4 Q. Okay.

5 A. To the best of my knowledge, I've never --

6 Q. Okay. So GW Equity and Geneva Business
7 Research are two separate companies?

8 A. As far as I know and as far as Brian
9 Binkley's response to your original deal, he's
10 adamant about it, so --

11 Q. I believe you --

12 A. -- Brian is one of those people that I
13 think he's telling the truth when he talks.

14 Q. And you testified last time that you spoke
15 to the attorney that represented Geneva and he
16 assured you that they were not the same company;
17 isn't that true?

18 A. I never had any reason to believe that.

19 Q. Okay.

20 A. Somebody pointed me in that direction, and
21 it turned out to be ridiculous.

22 Q. So if somebody were to say that GW Equity
23 and Geneva Business are the same, that would be a
24 lie, correct?

25 A. I don't know what you'd call that. I

1 himself, because he has nowhere else to put it, and
2 the admission to this little program was that -- I
3 was surprised to see that last night. That was the
4 first time I had seen anything that he admitted to
5 becoming part of some kind of a plan. I mean, he
6 denied that even to me, you know, until I read that.
7 He always denied taking money for, for -- I mean,
8 taking money for taking the reports off his site.

9 But I mean, there was just too many people
10 out there complaining about him about the same thing,
11 just enough to know that he's -- it's got to come up
12 as extortion. I mean, he's got some kind of legal
13 defense against it, but to me it's just -- it's
14 extortion. There is no way out of it.

15 Q. So what I've gathered from all of your
16 testimony, Dickson, is that Ed Magedson has
17 indirectly told you that he is responsible for making
18 posts about companies. He will make these posts.

19 A. Yes.

20 Q. And then he will manipulate the search
21 engines; is that true?

22 A. No question about the search engines.
23 That's where the money is made.

24 Q. Okay. So --

25 A. Because he doesn't take anything off his

1 website, but whoever -- whatever they're paying for
2 is the search-engine-related agreement deal.

3 Q. Okay.

4 A. That part.

5 Q. So he will manipulate search engines after
6 he may make some of these posts himself about these
7 companies?

8 A. There is no question he's doing it.

9 Q. So he's -- no question Ed is making these
10 posts about these companies, and then he's
11 manipulating them in the search engines, and then
12 he'll go and try to get money from these companies --

13 A. I don't --

14 Q. -- to remove them or to manipulate the
15 search back into their favor? Is that kind of how he
16 operates?

17 A. I don't believe that he ever approaches --
18 that I know of.

19 Q. Okay.

20 A. That he ever approaches the victims. I
21 think he just waits until they come to him. I don't
22 know that for sure.

23 Q. What do you mean by victims? What are
24 you, what are you talking about?

25 A. I'm saying the big victims like McKenzie

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

GW EQUITY, LLC,

PLAINTIFF,

v.

XCENTRIC VENTURES, LLC,
WWW.RIPOFFREPORT.COM,
WWW.BADBUSINESSBUREAU.COM,
and EDWARD MAGEDSON,

DEFENDANTS.

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CIVIL ACTION

No. 3-07-CV-0976-K

SUPPLEMENTAL AFFIDAVIT OF RYAN BINKLEY

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

On this day, before the undersigned authority, personally appeared Ryan Binkley, known to me to be the person whose name is subscribed hereto and under oath states:

1. My name is Ryan Binkley. I am over the age of 21, have never been convicted of a felony or crime of moral turpitude, and am, in all ways, capable of making this Affidavit. The facts stated in this Affidavit are within my personal knowledge and are true and correct.

2. I am currently employed as President of GW Equity, LLC ("GW Equity"). Based on my service in this capacity, I am personally familiar with the facts stated in this affidavit. All of the information contained in this Supplemental Affidavit serves to supplement the facts previously stated in my Original Affidavit filed in support of GW Equity's Original Complaint for Damages and Emergency Application for Injunctive Relief.

3. In my original affidavit, I explained in detail the losses that GW Equity has suffered due to the false, misleading, disparaging and defamatory statements about GW Equity

on Defendants' websites, www.ripoffreport.com and www.badbusinessbureau.com (collectively, the "Websites"). Nevertheless, the financial injury GW Equity has suffered has not ended. Since filing my original affidavit approximately one week ago, GW Equity has continued to suffer severe business losses and other consequences due to the statements on Defendants' Websites.

4. When existing or potential clients discover the false postings about GW Equity on the Websites, they ultimately decide not to attend our educational seminars or to terminate their contracts with GW Equity. The following non-exhaustive list represents more potential clients who have decided not to pursue a business relationship with GW Equity *in the last week* due to the false and misleading information on the Websites:

- On June 5, 2007, Paul Roesel of The Sack Company informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.
- On June 6, 2007, David McDonald of DMC, Inc. informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.
- On June 6, 2007, Echo Magazine informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.
- On June 7, 2007, Bob Gard of Georgian Plantation Shutter Company informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.
- On June 7, 2007, Keith White of Parkerwhite informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.

- On June 7, 2007, Tony Cobb of All Gutter Systems, Inc. informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.
- On June 7, 2007, Don McGilvray of Olympia, Inc. informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.
- On June 7, 2007, Scott Cafner of Angel Appliances Sales Services informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.
- On June 7, 2007, Wayne Huber of Huber General Contracting LLC informed GW Equity that it was not interested in pursuing a business relationship with GW Equity after reading the statements on Defendants' Websites. GW Equity would have received \$29,975.00 from this potential client.

5. The false and misleading postings by Defendants on the Websites have clearly disrupted GW Equity's ability to conduct business. The damages I have identified above are just the losses we actually have knowledge about. Because the majority of GW Equity's client base uses the Internet to learn more about information about our company, there are certainly more unidentified potential clients who have read the false postings on the Websites and have then decided not to do business with us. It is thus virtually impossible for us to know how many clients we are losing on a weekly and monthly basis.

6. Furthermore, it is incredibly difficult for GW Equity to neutralize the force of the false and misleading statements on the Websites. Because we do not know the identity of every single person who visits the Websites, we cannot try to explain to these potential clients that the statements are false and misleading. As a result, Defendants' actions have caused us to lose

customers at an increasing rate per month and have severely damaged our business and reputation.

7. GW Equity does not have an adequate remedy at law for money damages in the event that the defamatory "Rip-off Reports" regarding GW Equity remain on the Defendants' Websites. GW Equity cannot in any way estimate the precise losses we are experiencing due to the statements on the Websites.

8. Defendants will not be prejudiced at all by taking down the false and misleading postings on the Websites because there is no evidence that they will suffer any damages. Indeed, Defendants do not experience a profit by maintaining the false and misleading statements regarding GW Equity on the Websites.

9. Unless this Court grants the requested relief, GW Equity will be irreparably harmed because the loss of existing and potential clients would cause GW Equity to suffer irreparable economic harm in that GW Equity may never be able to get those relationships back. Furthermore, the goodwill and reputation GW Equity has worked so hard to establish with its customer base will be lost.

10. I affirm under penalty of perjury that, to the best of my knowledge and belief, the above is true and correct.

AFFIANT SAYETH NOTHING FURTHER.

Ryan C. Binkley
RYAN BINKLEY

Subscribed and sworn to before me, this 11th day of June, 2007.

Jerry Hill
Notary Public in and for the State of Texas

My Commission Expires: 3/2/08

SEAL:

